89-1523
No.

IN THE

# Supreme Court of the United States

OCTOBER TERM, 1989

COX-UPHOFF CORPORATION and
COX-UPHOFF INTERNATIONAL,

*Petitioners,*

v.

MENTOR CORPORATION;
LINDA RADOVAN WILLIAMSON,
as executrix of the Estate of CHEDOMIR RADOVAN;
HILTON BECKER, M.D.; and
BEVERLEY ANNE BECKER;

*Respondents.*

## PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

JOHN J. CAVANAUGH
77 West Washington Street
Chicago, Illinois 60602
(312) 346-1200

*Counsel of Record*
*for Petitioners*

*Of Counsel:*

ARTHUR A. OLSON, JR.
DONALD A. PETERSON
RICHARD P. BEEM
NEUMAN, WILLIAMS,
ANDERSON & OLSON
77 West Washington Street
Chicago, Illinois 60602
(312) 346-1200

March 14, 1990

Pandick Midwest, Inc., Chicago • (312) 733-6000

## QUESTION FOR REVIEW

In exercising its exclusive jurisdiction over appeals from all district courts in patent cases, must not the United States Court of Appeals for the Federal Circuit apply Rules 50 and 59 of the Federal Rules of Civil Procedure in conformity with the other circuit courts and with prior decisions of this Court?

## STATEMENT PURSUANT TO RULE 28.1

1. The full names of the petitioners are:

   Cox-Uphoff Corporation
   Cox-Uphoff International

2. The names of the real parties in interest are:

   Same as 1.

3. The publicly held affiliates of the petitioners are:

   Inamed Corporation
   McGhan Medical Corporation
   CUI Corporation
   McGhan, Ltd.
   Inamed, B.V. (Breda, The Netherlands)
   McGhan Instrumed Corporation
   Speciality Silicone Fabricators
   Innovative Surgical Products, Inc.
   Inamed Development Company

## TABLE OF CONTENTS

## TABLE OF CONTENTS
## APPENDIX TO PETITION FOR CERTIORARI
**(Appendix Bound Separately)**

## TABLE OF AUTHORITIES

Page

### CASES

Page

## STATUTES



## RULES AND OTHER AUTHORITIES

## PETITION

Petitioners Cox-Uphoff Corporation and Cox-Uphoff International[1] (collectively "Cox-Uphoff") pray that a writ of certiorari issue to review the judgment of the United States Court of Appeals for the Federal Circuit ("Federal Circuit").

## OPINIONS BELOW

The opinion of the Federal Circuit (A-1) is not reported. The opinion of the United States District Court for the Central District of California ("the district court") (A-6, 12) also is not reported.

## JURISDICTION OF THIS COURT

The judgment of the Federal Circuit was entered on November 9, 1989. The Federal Circuit denied Cox-Uphoff's petition for rehearing on December 14, 1989. This petition was filed within 90 days thereafter. The jurisdiction of this Court is invoked under 28 U.S.C. §1254(1).

## STATUTES AND FEDERAL RULES OF CIVIL PROCEDURE INVOLVED

Relevant to this petition are 28 U.S.C. §§2071(a) and 2072(a) and Rules 1, 50, and 59(b) of the Federal Rules of Civil Procedure and their applicability to the Court of Appeals for the Federal Circuit. Each of these is printed in its entirety in the Appendix (A-98-100).

**Section 2071(a) of Title 28, U.S.C., reads:**

> (a) The Supreme Court and all courts established by Act of Congress may from time to time prescribe rules

---

[1] Cox-Uphoff Corporation (including Cox-Uphoff International) was merged into CUI Corporation ("CUI") in May 1989, and CUI is the real party in interest. CUI is a wholly owned subsidiary of Inamed Corporation. *See Statement Pursuant to Rule 28, 1, supra.*

for the conduct of their business. Such rules shall be consistent with Acts of Congress and rules of practice and procedure prescribed under section 2072 of this title.

**Section 2072(a) of Title 28, U.S.C., reads:**

(a) The Supreme Court shall have the power to prescribe general rules of practice and procedure and rules of evidence for cases in the United States district courts (including proceedings before magistrates thereof) and courts of appeals.

**Rule 1, Fed.R.Civ.P., reads in pertinent part:**

These rules govern the procedure in the United States district courts in all suits of a civil nature...

**Rule 50, Fed.R.Civ.P., reads in pertinent part:**

(b) Not later than 10 days after entry of judgment, a party who has moved for a directed verdict may move to have the verdict and any judgment entered thereon set aside and to have judgment entered in accordance with the party's motion for a directed verdict.... A motion for a new trial may be joined with this motion, or a new trial may be prayed for in the alternative.

(c)(1) If the motion for judgment notwithstanding the verdict, provided for in subdivision (b) of this rule, is granted, the court shall also rule on the motion for a new trial, if any, by determining whether it should be granted if the judgment is thereafter vacated or reversed, and shall specify the grounds for granting or denying the motion for the new trial. If the motion for a new trial is thus conditionally granted, the order thereon does not affect the finality of the judgment. In case the motion for a new trial has been conditionally granted and the judgment is reversed on appeal, the new trial shall proceed unless the appellate court has otherwise ordered.

**Rule 59(b), Fed.R.Civ.P., reads:**

(b) **Time for Motion**. A motion for a new trial shall be served not later than 10 days after the entry of the judgment.

**A. Statement Of The Case**

This litigation began on August 25, 1987, when Mentor Corporation[2] sued Cox-Uphoff for infringement of United States Patents No. 4,217,889 and 4,643,733 (both relating to breast implants for reconstructive surgery).

Although the dispute which gave rise to the underlying action involves patent law, the issue which is presented in this petition is fundamentally a question of civil procedure, which raises the question whether the Court of Appeals For The Federal Circuit is bound by the Federal Rules of Civil Procedure and the rulings of the regional circuit courts and this Court pertaining to those rules.

**B. The District Court Proceedings**

In the district court, the jury found both patents valid and infringed. On October 3, 1988, the court (Honorable Jesse W. Curtis, Senior District Judge, presiding) entered judgment on the jury verdict, awarding damages in the amount of $690,000. (A-4, 5). On October 5, 1988, Cox-Uphoff filed a combined motion for judgment *non obstante veredicto* (J.N.O.V.) and alternative motion for new trial. (A-58, 62). It is undisputed that this motion was filed and served within the 10 day time limit set by Rule 59(b) of the Federal Rules of Civil Procedure.

On February 28, 1989, the district court granted Cox-Uphoff's motion and entered J.N.O.V. holding United States Patent No. 4,217,889 not infringed, and holding United States Patent No. 4,643,733 invalid. (A-12, 48). On March 17, 1989, Cox-Uphoff moved the district court to amend its findings and conclusions and requested a ruling on its earlier (October 5, 1988) alternative motion for new trial. (A-68, 86).

[2] The respondents named in addition to Mentor Corporation are the inventors to whom the patents-in-suit issued. The respondents have alleged that Mentor Corporation is the assignee of all rights to these patents. The respondents will be referred to collectively as "Mentor."

On April 24, 1989, the district court conditionally ruled that if the J.N.O.V. were reversed on appeal, Cox-Uphoff's earlier motion for new trial was granted because the jury's findings were contrary to the weight of the evidence and the award of damages excessive. (A-51). A chronology of the events relevant to Cox-Uphoff's motion for new trial is set forth in Table 1, *infra*.

**Table 1—Chronology Of Relevant Pleadings**

| Date | Action |
|---|---|
| October 3, 1988 | District Court Entered Judgment On The Verdict (A-4, 5). |
| October 5, 1988 | Cox-Uphoff Filed Motion for J.N.O.V., Or In the Alternative For A New Trial (A-58, 62). |
| February 28, 1989 | District Court Entered J.N.O.V. (A-12, 48). |
| March 17, 1989 | Cox-Uphoff Filed Motion To Amend And Request For Ruling On Motion For New Trial (A-68, 86). |
| April 24, 1989 | District Court Order Denying Motion To Amend And Conditionally Granting New Trial (A-50). |

### C. The Holding Of The Federal Circuit

On appeal, the Federal Circuit held that the district court erred in granting J.N.O.V. and went on to hold that Cox-Uphoff is not entitled to a new trial, on the mistaken basis that Cox-Uphoff had not filed a timely motion for a new trial. (A-1-3).

In so holding, the Federal Circuit focused only on the February 28, 1989, entry of J.N.O.V. and on Cox-Uphoff's March 17, 1989, motion to amend the findings and request for a ruling on its earlier motion for new trial. (A-2). The court referred to the February 28, 1989 J.N.O.V. as the "final judgment." (A-2). The Federal Circuit did not even mention

the October 3, 1988, judgment on the verdict or Cox-Uphoff's October 5, 1988, combined motion for J.N.O.V. and alternative motion for new trial.

The Federal Circuit ordered the district court to reinstate the jury verdict in its entirety. (A-2). With three judges dissenting, the court declined Cox-Uphoff's suggestion for rehearing *in banc* (A-57). The Federal Circuit also denied Cox-Uphoff's motion for a stay of the mandate pending this Court's decision on this petition for certiorari.[3]

## REASONS FOR GRANTING THE PETITION

### A. The Federal Circuit Should Follow The Federal Rules Of Civil Procedure And Relevant Precedent

When the United States Court of Appeals for the federal circuit was created in 1982, the framework of the federal court system was changed in an unprecedented way. The Federal Circuit was given exclusive nationwide appellate jurisdiction over, *inter alia*, appeals from the judgments of all United States district courts in all patent cases.[4] Thus, for example, a judgment of the District Court for the Central District of California is subject to review either by the Court of Appeals for the Ninth Circuit or by the Court of Appeals

[3]After the Federal Circuit mandate issued on December 21, 1989, the district court immediately entered a judgment which not only reinstated the jury verdict but also awarded treble damages, as well as supplemental damages and attorney fees in amounts still to be determined. Cox-Uphoff has since filed for bankruptcy and is currently operating under Chapter 11. The district court's award of treble damages and attorney fees is the basis for a second appeal to the Federal Circuit, which is being briefed at this time.

The same two patents at issue in this suit are also being challenged by another party in litigation recently commenced in the United States District Court for the Northern District of Texas.

[4]Federal Courts Improvement Act, 28 U.S.C. §1295(a)(1)(1982); *See* S. Rep. No. 275, 97th Cong., 2d Sess. 20, *reprinted in* 1982 U.S. CODE CONG. & ADMIN. NEWS 11, 30.

for the Federal Circuit, depending on the basis for the district court's jurisdiction.

The new appellate framework creates new questions regarding choice of law and the applicability of the Federal Rules of Civil Procedure and relevant precedent, questions which have never been decided by this Court. Although this Court has granted writs of certiorari to the Federal Circuit on previous occasions, only one of those cases involved the interpretation of a Federal Rule of Civil Procedure, and that was in the summary disposition of *Dennison Manufacturing Co. v. Panduit Corp.*, 475 U.S. 809 (1986). In *Dennison*, this Court remanded the case to the Federal Circuit for its "informed opinion" on the applicability of the "clearly erroneous" standard of Federal Rule of Civil Procedure 52(a). Neither this Court nor the Federal Circuit reached the issue whether the Federal Rules of Civil Procedure are binding on the Federal Circuit.

The uncertainty regarding the procedure to be followed in patent cases plagues the Federal Circuit, the district courts, and the litigants and the attorneys who appear before the courts. This uncertainty is illustrated in a recent comprehensive article regarding the Federal Circuit's jurisdiction and related procedural issues, *The Federal Circuit: A Case Study In Specialized Courts*, 64 N.Y.U. L.Rev. 1 (1989). In this article, Professor Dreyfuss addressed the procedural problems that afflict the Federal Circuit. Dreyfuss stated that "the questions that remain are attributable, in part, to an unsettled view of the court's role in the judicial system." *Id.* at 30. "Until the position of the court is determined, these questions may remain intractable." *Id.*

Dreyfuss argued that the Federal Circuit should not be required to defer to the law of the regional circuits in non-patent areas. *Id.* at 59. Dreyfuss also pointed out that neither the Supreme Court nor the Federal Circuit has ruled on the applicability of the Federal Rules of Civil Procedure to the Federal Circuit, even though the opportunity may have been

presented in *Dennison*. 64 N.Y.U. L.Rev. at 61. Dreyfuss concluded that "the [Federal Circuit], and Supreme Court, must consider whether it makes sense for a tribunal that is significantly different from the other courts in the system to abide by the same procedural rules." *Id.* at 64.

Congress has empowered this Court to prescribe the rules of procedure which shall be binding on all inferior courts. 28 U.S.C. §§2071(a), 2072(a); *see* Rule 1, Fed.R.Civ.P. It necessarily follows that the Federal Circuit cannot depart from the Federal Rules of Civil Procedure either by formal rulemaking or by decision in individual cases.

Several of the regional circuit courts, parallel in authority to the Federal Circuit, have expressly held that the Federal Rules of Civil Procedure must be followed in all cases. *See, e.g., Walsh v. Ford Motor Co.*, 807 F.2d 1000, 1007 (D.C. Cir. 1986); *Ellenbogen v. Rider Maintenance Corp.*, 794 F.2d 768, 772 (2d Cir. 1986); *Mann v. Lynaugh*, 840 F.2d 1194, 1197 (5th Cir. 1988); *Reid v. Sears, Roebuck & Co.*, 790 F.2d 453, 459 (6th Cir. 1986); *G. Heileman Brewing Co., Inc., v. Joseph Oat Corp.*, 848 F.2d 1415, 1419 (7th Cir. 1988).

Cox-Uphoff submits that in order to maintain consistency in federal judicial proceedings, the Federal Circuit also should be required to adhere to the Federal Rules of Civil Procedure. This Court should issue a writ of certiorari to resolve the question whether the Federal Rules and the relevant precedent of this Court and of the regional courts of appeals are binding on the Federal Circuit.

**1. The Federal Circuit Has Departed From The Federal Rules Of Civil Procedure**

In *Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1575 (1984) the Federal Circuit endorsed the policy of uniformity in procedural matters but went on to state:

> This policy, however, does not preclude this court from following existing or creating new law regarding any and all matters in cases where this

> court has *exclusive* jurisdiction over *all appeals* from a particular court.

It is respectfully submitted that the Federal Circuit's exclusive appellate jurisdiction does not allow the court to abrogate the Federal Rules of Civil Procedure. The Federal Circuit has recognized in principle that the rules should be applied in patent cases, *SRI International v. Matsushita Electric Co.*, 775 F.2d 1107, 1116 (Fed. Cir. 1985) (*in banc*), but the court has failed to follow the rules in the present case.

To hold that the petitioner's motion for a new trial was not timely filed completely ignores the provisions of Rules 50(b) and 59(b) of the Federal Rules of Civil Procedure. Both Rules 50(b) and 59(b) specify that a motion for J.N.O.V. and a motion for a new trial must be filed no later than 10 days after judgment. Here, petitioners' combined motion for J.N.O.V. and alternative motion for new trial was filed only two days after entry of the judgment on the jury's verdict. (A-4, 58).

**2. The Federal Circuit Has Not Followed Precedent**

The holding by the Federal Circuit that petitioners' motion for a new trial was not timely is contrary to this Court's holding in *Montgomery Ward & Co. v. Duncan*, 311 U.S. 243 (1940). That decision held that a party who has timely filed a motion for J.N.O.V. and, in the alternative, a motion for a new trial, is entitled to the trial judge's decision on both motions. This Court held that the grant of a motion for J.N.O.V. did not effect an automatic denial of the alternative motion for a new trial. Recognizing that a J.N.O.V. may be reversed on appeal, this Court stated:

> If alternative prayers or motions are presented, as here, we hold that the trial judge should rule on the motion for judgment. Whatever his ruling thereon he should also rule on the motion for a new trial, indicating the grounds of his decision.

*Montgomery Ward*, 311 U.S. at 253.

The Ninth Circuit, which decides all non-patent appeals from the Central District of California, follows Rule 59(b) in

that a motion for a new trial filed within the ten-day period after judgment is timely. *Gilliland v. Lyons*, 278 F.2d. 56 (9th Cir. 1960). The Federal Circuit should have applied the procedural law of the Ninth Circuit. In this regard, the Federal Circuit has stated:

> When we review procedural matters that do not pertain to patent issues, we sit as if we were the particular regional circuit court where appeals from the district court we are reviewing would normally lie. We would adjudicate the rights of the parties in accordance with the applicable regional circuit law. Where the regional circuit court has spoken on the subject, we must apply the law as stated.

*Panduit Corp. v. All States Plastic Mfg. Co.*, 744 F.2d 1564, 1575 (1984) (citations omitted).

The Federal Circuit should have acted accordingly here.

**B. The Motion For New Trial Was Timely Filed**

On October 5, 1988, just two days after the district court entered judgment on the jury verdict, Cox-Uphoff timely filed its combined motion for J.N.O.V. and motion in the alternative for a new trial. (A-58). When the district court entered J.N.O.V. in favor of Cox-Uphoff on February 28, 1989, Cox-Uphoff did not file a second motion for new trial, because *there was no reason to do so.* Yet the Federal Circuit has ruled that Cox-Uphoff is not entitled to a new trial because Cox-Uphoff did not file a motion for new trial "within ten days of entry of the final judgment on February 28, 1989." (A-2). The Federal Circuit treated Cox-Uphoff's October 5, 1988 alternative motion for new trial as a nullity.

In effect, the Federal Circuit promulgated a new rule of timeliness by treating the February 28, 1989, entry of the J.N.O.V. as requiring renewal of Cox-Uphoff's earlier motion for new trial. The Federal Circuit refused to recognize that Cox-Uphoff complied with Rules 50(b) and 59(b) when it filed its combined motion on October 5, 1988. Neither rule requires renewal of an alternative motion for new trial upon

entry of J.N.O.V. There is no question that if petitioners had not moved for J.N.O.V. and/or a new trial within 10 days after entry of judgment on the jury verdict, they would have been precluded from doing so.

The Federal Circuit judgment is contrary to Rules 50(b) and 59(b), Sections 2071(a) and 2072(a) of Title 28 U.S. Code, the precedent of this Court in *Montgomery Ward*, and the established Ninth Circuit law as held in *Gilliland*.

This Court should grant this petition to resolve the Federal Circuit's conflict with other circuits and this Court, and to insure that the Federal Rules of Civil Procedure apply to *all* federal courts, so that litigants can rely in confidence on uniform application of the rules. This Court also should hold that a party having timely moved for J.N.O.V. and alternatively for a new trial has preserved its right to a new trial. The Federal Circuit should be directed to remand the case to the district court for the new trial granted by the trial judge.

### C. Each Part Of A Combined Motion For J.N.O.V. And Alternative Motion For New Trial Has Its Own Office

Reversal of the J.N.O.V. by the Federal Circuit did not render moot petitioner's right to a new trial. As this Court has stated:

> A motion for judgment notwithstanding the verdict did not, at common law, preclude a motion for a new trial. And the latter motion might be, and often was, presented after the former had been denied. The rule was not intended to alter the existing right to move for a new trial therefore recognized and confirmed by statute. It permits the filing of a motion for judgment in the absence of a motion for a new trial or the filing of both motions jointly or a motion for a new trial in the alternative.
>
> Each motion, as the rule recognizes, has its own office. The motion for judgment cannot be granted unless, as matter of law, the opponent of the movant failed to

> make a case and, therefore, a verdict in movant's favor should have been directed. The motion for a new trial may invoke the discretion of the court in so far as it is bottomed on the claim that the verdict is against the weight of the evidence, that the damages are excessive, or that, for other reasons, the trial was not fair to the party moving; and may raise questions of law arising out of alleged substantial errors in admission or rejection of evidence or instructions to the jury.

*Montgomery Ward*, 311 U.S. at 250-51.

The district court granted J.N.O.V. under the "substantial evidence" test. Even if J.N.O.V. were improper, the inquiry is not ended, because Cox-Uphoff timely filed an alternative motion for new trial. A new trial is required because, as the district court held, the jury's verdict was contrary to the weight of the evidence and the award of damages was excessive. *Montgomery Ward*, 311 U.S. at 251. Under Federal Rule of Civil Procedure 50(c)(1), the trial judge properly ruled conditionally on the new trial motion as well as granting the J.N.O.V. *Neely v. Martin K. Eby Construction Co., Inc.*, 386 U.S. 317, 322 (1967). *Nodak Oil Co. v. Mobil Oil Corp.*, 526 F.2d 798, 799 (8th Cir. 1975).

Where a new trial is conditionally granted by the trial judge, and the court of appeals reverses the grant of J.N.O.V., Rule 50(c)(1) provides that ordinarily a new trial shall proceed. *Neely*, 386 U.S. at 322-23. Here, the district court's April 24, 1989 order conditionally granting a new trial was within the sound discretion of the trial court, and it should not be negated by the Federal Circuit's refusal to act in accordance with the Federal Rules of Civil Procedure.

## CONCLUSION

The petition for certiorari should be granted.

Respectfully submitted,

JOHN J. CAVANAUGH
77 West Washington Street
Chicago, Illinois 60602
(312) 346-1200

*Counsel of Record*
*for Petitioners*

*Of Counsel:*

ARTHUR A. OLSON, JR.
DONALD A. PETERSON
RICHARD P. BEEM
NEUMAN, WILLIAMS, ANDERSON
& OLSON
77 West Washington Street
Chicago, Illinois 60602
(312) 346-1200

March 14, 1990